

**PATENT**

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Applicants:	Bryan, <i>et al.</i>	
Serial No.:	10/594,064 - Case No.: 21571P	Art Unit: 1656
Filed:	September 25, 2006	Examiner: K.H. Gebreyesus
For:	OPTIMIZED EXPRESSION OF HPV 52 L1 IN YEAST	

Commissioner for Patents  
PO Box 1450  
Alexandria, VA 22313-1450

**APPLICATION FOR PATENT TERM ADJUSTMENT UNDER 37 C.F.R. §1.705(b)**

Sir:

This is a request for reconsideration of the patent term adjustment (PTA) indicated in the Notice of Allowance mailed July 20, 2009. This request is submitted with the payment of the issue fee. The patent that issues from the subject application is not subject to a terminal disclaimer.

The Commissioner is authorized to charge the fee set forth in 37 C.F.R. §1.18(e) to Deposit Account No. 13-2755. Please charge any fee deficiencies in connection with this request to Deposit Account No. 13-2755.

Applicants respectfully request that the PTA determination be corrected to include the days accrued pursuant to 37 C.F.R. § 1.702(b) "*Failure to issue a patent within three years of the actual filing date of the application.*" The Patent Office delay under 1.702(b) is occurring more than three years after the subject application was filed and does not overlap with the 499 days of Patent Office delay due under 37 C.F.R. § 1.702(a).

According to 37 C.F.R. § 1.702(a)(1), the term of an original patent shall be adjusted if the issuance of the patent was delayed due to the failure of the Office to mail at least one of a notification under 35 U.S.C. § 132 or a notice of allowance under 35 U.S.C. § 151 not later than fourteen months after the date on which the application fulfilled the requirements of 35 U.S.C. § 371 in an international application. The requirements under section 371 for this international application were fulfilled on September 25, 2006. The date fourteen months after the section 371 requirements were fulfilled is November 25, 2007. A Restriction Requirement was mailed on April 7, 2009, which constitutes 499 days of Patent Office delay under 37 C.F.R. § 1.703(a); i.e., the number of days from November 25, 2007 to April 7, 2009.

There were no circumstances constituting a failure to engage in reasonable efforts to conclude processing or examination of the application as set forth in 37 C.F.R. § 1.704. Accordingly, the PTA accrued under 37 C.F.R. § 1.702(a)(1) is PTO Delay – Applicant Delay = 499 – 0 = 499 days.

According to 37 C.F.R. § 1.702(b), the term of the original patent shall be adjusted if the issuance of the patent was delayed due to the failure of the Office to issue a patent within three years after the date on which the national stage commenced under 35 U.S.C. § 371. The date three years after commencement of the national stage is September 25, 2009. According to 37 C.F.R. § 1.703(b), the number of days accrued to date under Rule 1.702(b) is 24 days; i.e., the number of days from September 25, 2009 to October 19, 2009. The final determination cannot be made until the patent is granted.

There has been no delay due to Applicants during the 1.703(b) period. Accordingly, as of today Applicants are entitled to  $499 + 24 = 523$  days of PTA. This PTA is subject to further adjustment taking into account the actual grant date of the patent.

The PTA determination of the Patent Office (copy attached hereto as Exhibit A) lists 499 days of Patent Office delay and 0 days of Applicants delay. The Patent Office PTA determination does not include the delay due to the failure to issue the patent within three years of the commencement of national stage. Applicants respectfully submit that under *Wyeth v. Dudas*, Civil Action No. 07-1492 (JR), 580 FSupp2d 138 (DC, September 30, 2008) (“*Wyeth*”; copy attached hereto as Exhibit B), the delay under 37 C.F.R. §§ 1.702(a)(1) and 1.702(b) should be added together. *Wyeth* presents essentially the same factual situation as presented in the instant application. In *Wyeth*, the plaintiff argued that the time period due to actual Patent Office delay under § 1.702(a)(1) and the time period due to the failure of the Office to issue a patent within 3 years of the filing date under § 1.702(b) does not overlap unless there is an actual overlap. The Court agreed, stating that, for purposes of determining PTA, the “only way that periods of time can ‘overlap’ is if they occur on the same day.” Applying *Wyeth* to the instant situation, there is no actual overlap between the 499 days of Patent Office delay and the 24 days (and counting) due to failure to issue a patent within three years. Accordingly, Applicants respectfully submit that the proper PTA is the sum of the days arising from the two sources of delay.

Accordingly, it is requested that the PTA determination for this application be changed to add the delay due to the Patent Office failure to issue a patent within three years to the earlier accrued 499 days of PTA.

Respectfully submitted,

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Date: October 19, 2009

EXHIBIT ONE  
USPTO Decision of Patent Term Adjustment

10/594,064

OPTIMIZED EXPRESSION OF HPV 52 L1 IN YEAST

10-19-  
2009:09:09:16**Patent Term Adjustments**

Patent Term Adjustment (PTA) for Application Number: 10/594,064

Filing or 371(c) Date:	09-25-2006	USPTO Delay (PTO) Delay (days):	499
Issue Date of Patent:	-	Three Years:	-
Pre-Issue Petitions (days):	+0	Applicant Delay (APPL) Delay (days):	0
Post-Issue Petitions (days):	+0	Total PTA (days):	499
USPTO Adjustment(days):	+0	Explanation Of Calculations	

**Patent Term Adjustment History**

Date	Contents Description	PTO(Days)	APPL(Days)
07-20-2009	Mail Notice of Allowance		
07-17-2009	Document Verification		
07-17-2009	Notice of Allowance Data Verification Completed		
07-17-2009	Examiner's Amendment Communication		
07-05-2007	Information Disclosure Statement considered		
09-25-2006	Information Disclosure Statement considered		
06-17-2009	Date Forwarded to Examiner		
05-05-2009	Response to Election / Restriction Filed		
04-07-2009	Mail Restriction Requirement	499	
04-03-2009	Requirement for Restriction / Election	⬆	
09-18-2008	PG-Pub Issue Notification	⬆	
08-04-2008	Case Docketed to Examiner in GAU	⬆	
07-29-2008	Filing Receipt - Corrected	⬆	
07-28-2008	IFW TSS Processing by Tech Center Complete	⬆	
07-05-2007	Information Disclosure Statement (IDS) Filed	⬆	
09-25-2006	Request for Foreign Priority (Priority Papers May Be Included)	⬆	
09-25-2006	Reference capture on IDS	⬆	
09-25-2006	Preliminary Amendment	⬆	
09-25-2006	Information Disclosure Statement (IDS) Filed	⬆	
06-20-2008	Application Dispatched from OIPE	⬆	
09-25-2006	371 Completion Date	⬆	
06-11-2008	Sent to Classification Contractor		
06-11-2008	Filing Receipt		
06-11-2008	Notice of DO/EO Acceptance Mailed		
07-05-2007	Information Disclosure Statement (IDS) Filed		
10-12-2006	Cleared by OIPE CSR		
10-06-2006	CRF Is Good Technically / Entered into Database		
09-25-2006	CRF Disk Has Been Received by Preexam / Group / PCT		
09-25-2006	Initial Exam Team nn		

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EXHIBIT TWO

Wyeth v. Dudas, Civil Action No. 07-1492 (JR), 580 FSupp2d 138 (DC,  
September 30, 2008)



Source: USPQ, 2d Series (1986 - Present) > U.S. District Courts, District of Columbia > Wyeth v. Dudas, 88 USPQ2d 1538 (D.D.C. 2008)

**88 USPQ2d 1538**  
**Wyeth v. Dudas**  
**U.S. District Court**  
**District of Columbia**

No. 07-1492 (JR)

Decided September 30, 2008

580 FSupp2d 138

## Headnotes

### PATENTS

[1] Patent grant— Patent term extension; restoration (►105.17)

### JUDICIAL PRACTICE AND PROCEDURE

Procedure — Judicial review — Standard of review — Patents (►410.4607.09)

U.S. Patent and Trademark Office's interpretation of 35 U.S.C. §154(b)(2)(A), which states that, to extent periods of delay in issuance of patent attributable to grounds specified in Section 154(b) overlap, period of patent term adjustment shall not exceed actual number of days issuance of patent was delayed, is not entitled to wide deference in accordance with *Chevron U.S.A. Inc. v. Natural Resources Defense Council Inc.*, 467 U.S. 837 (1984), since Section 154(b)(3)(A) states that authority of PTO is limited to prescribing "regulations establishing procedures for the application for and determination of patent term adjustments under this subsection," and PTO thus has not been granted power to elaborate on meaning of Section 154(b)(2)(A).

### PATENTS

[2] Patent grant— Patent term extension; restoration (►105.17)

Practice and procedure in Patent and Trademark Office — Prosecution — Rules and rules practice (►110.0905)

Provisions of 35 U.S.C. §154(b)(2)(A), which state that, to extent periods of delay in issuance of patent attributable to grounds specified in Section 154(b) overlap, period of patent term adjustment shall not exceed actual number of days issuance of patent was delayed, have been improperly construed by U.S. Patent and Trademark Office to mean that period of delay under Section 154(b)(1)(B) runs from filing date of application, such that period of "B delay" always overlaps with any period of delay under Section 154(b)(1)(A), since language of statute provides that period of "B delay" begins when PTO has failed to issue patent within three years after filing date of application, not before, and since interpretation of statute must square with language therein, even if doing so may lead to "windfall" extensions of patent term.

### Case History and Disposition

Action by Wyeth and Elan Pharma International Ltd. against Jon W. Dudas, in his capacity as Under Secretary of Commerce for Intellectual Property and Director of U.S. Patent and Trademark Office, challenging PTO's interpretation of 35 U.S.C. §154(b), which governs adjustments to length of patent term. PTO is held to have improperly construed statute.

### Attorneys

David O. Bickart, of Kaye Scholer, Washington, D.C.; Patricia A. Carson, of Kaye Scholer, New York, N.Y., for plaintiffs.

Fred Elmore Haynes, U.S. attorney's office, Washington, for defendant.

### Opinion Text

#### Opinion By:

Robertson, J.

Plaintiffs here take issue with the interpretation that the United States Patent and Trademark Office (PTO) has imposed upon 35 U.S.C. §154, the statute that prescribes patent terms. Section 154(a)(2) establishes a term of 20 years from the day on which a successful patent application is first filed. Because the

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clock begins to run on this filing date, and not on the day the patent is actually granted, some of the effective term of a patent is consumed by the time it takes to prosecute the application. To mitigate the damage that bureaucracy can do to inventors, the statute grants extensions of patent terms for certain specified kinds of PTO delay, 35 U.S.C. §154(b)(1)(A), and, regardless of the reason, whenever the patent prosecution takes more than three years. 35 U.S.C. §154(b)(1)(B). Recognizing that the protection provided by these separate guarantees might overlap, Congress has forbidden double-counting: "To the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed." 35 U.S.C. §154(b)(2)(A). Plaintiffs claim that the PTO has misconstrued or misapplied this provision, and that the PTO is denying them a portion of the term Congress has provided for the protection of their intellectual property rights.

### Statutory Scheme

Until 1994, patent terms were 17 years from the date of issuance. See 35 U.S.C. §154 (1992) ("Every patent shall contain ... a grant ... for the term of seventeen years ... of the right to exclude others from making, using, or selling the invention throughout the United States..."). In 1994, in order to comply with treaty obligations under the General Agreement on Tariffs and Trade (GATT), the statute was amended to provide a 20-year term from the date on which the application is first filed. See Pub. L. No. 103-465, §532, 108 Stat. 4809, 4984 (1994). In 1999, concerned that extended prosecution delays could deny inventors substantial portions of their effective patent terms under the new regime, Congress enacted the American Inventors Protection Act, a portion of which -- referred to as the Patent Term Guarantee Act of 1999 -- provided for the adjustments that are at issue in this case. Pub. L. No. 106-113, §§4401-4402, 113 Stat. 1501, 1501A-557 (1999).

As currently codified, 35 U.S.C. §154(b) provides three guarantees of patent term, two of which are at issue here. The first is found in subsection (b)(1)(A), the "[g]uarantee of prompt Patent and Trademark Office response." It provides a one-day extension of patent term for every day that issuance of a patent is delayed by a failure of the PTO to comply with various enumerated statutory deadlines: fourteen months for a first office action; four months to respond to a reply; four months to issue a patent after the fee is paid; and the like. See 35 U.S.C. §154(b)(1)(A)(i)-(iv). Periods of delay that fit under this provision are called "A delays" or "A periods." The second provision is the "[g]uarantee of no more than 3-year application pendency." Under this provision, a one-day term extension is granted for every day greater than three years after the filing date that it takes for the patent to issue, regardless of whether the delay is the fault of the PTO.<sup>1</sup> See 35 U.S.C. §154(b)(1)(B). The period that begins after the three-year window has closed is referred to as the "B delay" or the "B period." ("C delays," delays resulting from interferences, secrecy orders, and appeals, are similarly treated but were not involved in the patent applications underlying this suit.)

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<sup>1</sup> Certain reasons for exceeding the three-year pendency period are excluded, see 35 U.S.C. §154(b)(1)(b)(i)-(iii), as are periods attributable to the applicant's own delay. See 35 U.S.C. §154(b)(2)(C).

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The extensions granted for A, B, and C delays are subject to the following limitation:

(A) *In general.*—To the extent that periods of delay attributable to grounds specified in paragraph (1) overlap, the period of any adjustment granted under this subsection shall not exceed the actual number of days the issuance of the patent was delayed.

35 U.S.C. §154(b)(2)(A). This provision is manifestly intended to prevent double-counting of periods of delay, but understanding that intent does not answer the question of what is double-counting and what is not. Proper interpretation of this proscription against windfall extensions requires an assessment of what it means for "periods of delay" to "overlap."

The PTO, pursuant to its power under 35 U.S.C. §154(b)(3)(A) to "prescribe regulations establishing procedures for the application for and determination of patent term adjustments," has issued final rules and an "explanation" of the rules, setting forth its authoritative construction of the double-counting provision. The rules that the PTO has promulgated essentially parrot the statutory text, see 37 C.F.R. §1.703(f), and so the real interpretive act is found in something the PTO calls its Explanation of 37 CFR 1.703(f) and of the United States Patent and Trademark Office Interpretation of 35 U.S.C. §154(b)(2)(A), which was published on June 21, 2004, at 69

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Fed. Reg. 34238. Here, the PTO "explained" that:

the Office has consistently taken the position that if an application is entitled to an adjustment under the three-year pendency provision of 35 U.S.C. §154(b)(1)(B), *the entire period during which the application was pending before the Office* (except for periods excluded under 35 U.S.C. §154(b)(1)(B) (i)-(iii)), and not just the period

beginning three years after the actual filing date of the application, *is the relevant period under 35 U.S.C. §154(b)(1)(B) in determining whether periods of delay "overlap" under 35 U.S.C. 154(b)(2)(A).*

69 Fed. Reg. 34238 (2004) (emphasis added). In short, the PTO's view is that any administrative delay under §154(b)(1)(A) overlaps any 3-year maximum pendency delay under §154(b)(1)(B): the applicant gets credit for "A delay" or for "B delay," whichever is larger, but never A + B.

In the plaintiffs' submission, this interpretation does not square with the language of the statute. They argue that the "A period" and "B period" overlap only if they occur on the same calendar day or days. Consider this example, proffered by plaintiff: A patent application is filed on 1/1/02. The patent issues on 1/1/08, six years later. In that six-year period are two "A periods," each one year long: (1) the 14-month deadline for first office action is 3/1/03, but the first office action does not occur until 3/1/04, one year late; (2) the 4-month deadline for patent issuance after payment of the issuance fee is 1/1/07, but the patent does not issue until 1/1/08, another year of delay attributable to the PTO. According to plaintiff, the "B period" begins running on 1/1/05, three years after the patent application was filed, and ends three years later, with the issuance of the patent on 1/1/08. In this example, then, the first "A period" does not overlap the "B period," because it occurs in 2003-04, not in 2005-07. The second "A period," which covers 365 of the same days covered by the "B period," does overlap. Thus, in plaintiff's submission, this patent holder is entitled to four years of adjustment (one year of "A period" delay + three years of "B period" delay). But in the PTO's view, since "the entire period during which the application was pending before the office" is considered to be "B period" for purposes of identifying "overlap," the patent holder gets only three years of adjustment.

### **Chevron Deference**

We must first decide whether the PTO's interpretation is entitled to deference under *Chevron v. NRDC*, 467 U.S. 837 (1984). No, the plaintiffs argue, because, under the Supreme Court's holdings in *Gonzales v. Oregon*, 546 U.S. 243 (2006), and *United States v. Mead Corp.*, 533 U.S. 218 (2001), Congress has not "delegated authority to the agency generally to make rules carrying the force of law," and in any case the interpretation at issue here was not promulgated pursuant to any such authority. See *Gonzales*, 546 U.S. at 255-56, citing *Mead*, 533 U.S. at 226-27. Since at least 1996, the Federal Circuit has held that the PTO is not afforded *Chevron* deference because it does not have the authority to issue substantive rules, only procedural regulations regarding the conduct of proceedings before the agency. See *Merck & Co. v. Kessler*, 80 F.3d 1543, 1549-50 [38 USPQ2d 1347] (Fed. Cir. 1996).

[ 1 ] Here, as in *Merck*, the authority of the PTO is limited to prescribing "regulations establishing *procedures* for the application for and determination of patent term adjustments under this subsection." 35 U.S.C. §154(b)(3)(A) (emphasis added). Indeed, a comparison of this rulemaking authority with the authority conferred for a different purpose in the immediately preceding section of the statute makes it clear that the PTO's authority to interpret the overlap provision is quite limited. In 35 U.S.C. §154(b)(2)(C)(iii) the PTO is given the power to "prescribe regulations establishing the *circumstances that constitute* a failure of an applicant to engage in reasonable efforts to conclude processing or examination of an application" (emphasis added) -- that is, the power to elaborate on the meaning of a particular statutory term. No such power is granted under §154(b)(3)(A). *Chevron* deference does not apply to the interpretation at issue here.

### **Statutory Construction**

*Chevron* would not save the PTO's interpretation, however, because it cannot be reconciled with the plain text of the statute. If the statutory text is not ambiguous enough to permit the construction that the agency urges, that construction fails at *Chevron's* "step one," without regard to whether it is a reasonable attempt to reach a result that Congress might have intended. See, e.g., *MCI v. AT&T*, 512 U.S. 218, 229 (1994) ("[A]n agency's interpretation of a statute is not entitled to deference

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when it goes beyond the meaning that the statute can bear.").

[ 2 ] The operative question under 35 U.S.C. §154(b)(2)(A) is whether "periods of delay attributable to grounds specified in paragraph (1) overlap." The only way that periods of time can "overlap" is if they occur on the same day. If an "A delay" occurs on one calendar day and a "B delay" occurs on another, they do not overlap, and §154(b)(2)(A) does not limit the extension to one day. Recognizing this, the PTO defends its interpretation as essentially running the "period of delay" under subsection (B) from the filing date of the patent application, such that a period of "B delay" *always overlaps* with any periods of "A delay" for the purposes of applying §154(b)(2)(A).

The problem with the PTO's construction is that it considers the application *delayed* under §154(b)(1)(B) during the period *before it has been delayed*. That construction cannot be squared with the language of §154(b)(1)(B), which applies "if the issue of an original patent is *delayed* due to the failure of the United States Patent and Trademark Office to issue a patent within 3 years." (Emphasis added.) "B delay" begins when the PTO has failed to issue a patent within three years, not before.

The PTO's interpretation appears to be driven by Congress's admonition that any term extension "not exceed the actual number of days the issuance of the patent was delayed," and by the PTO's view that "A delays" during the first three years of an applications' pendency inevitably lead to "B delays" in later years. Thus, as the PTO sees it, if



plaintiffs' construction is adopted, one cause of delay will be counted twice: once because the PTO has failed to meet an administrative deadline, and again because that failure has pushed back the entire processing of the application into the "B period." Indeed, in the example set forth above, plaintiffs' calendar-day construction does result in a total effective patent term of 18 years under the (B) guarantee, so that – again from the PTO's viewpoint – the applicant is not "compensated" for the PTO's administrative delay, he is benefitted by it.

But if subsection (B) had been intended to guarantee a 17-year patent term and *no more*, it could easily have been written that way. It is true that the legislative context – as distinct from the legislative history – suggests that Congress may have intended to use subsection (B) to guarantee the 17-year term provided before GATT. But it chose to write a "[g]uarantee of no more than 3-year application pendency," 35 U.S.C. §154(b)(1)(B), not merely a guarantee of 17 effective years of patent term, and do so using language separating that guarantee from a different promise of prompt administration in subsection (A). The PTO's efforts to prevent windfall extensions may be reasonable – they may even be consistent with Congress's intent – but its interpretation must square with Congress's words. If the outcome commanded by that text is an unintended result, the problem is for Congress to remedy, not the agency.

- End of Case -

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